

## **OFFICE OF THE AUDITOR-CONTROLLER**

### **I. DEPARTMENT MANDATE/MISSION**

It is the Auditor-Controller's responsibility to serve as the chief accounting officer for the County and to ensure that the functions established for the Auditor-Controller in the California Constitution, various California codes, and by the Board of Supervisors are effectively performed. The Auditor-Controller performs duties under the legal authority primarily set forth in the Government Code and the Revenue and Taxation Code.

The Office's primary mission is to ensure the fiscal integrity of the County's financial records and to provide service, assistance and information to the public, Board of Supervisors, County Administrator's Office, County departments and employees, special districts and some regional non-county agencies.

### **II. MAJOR PROGRAM DESCRIPTIONS**

#### **A. PAYROLL BUDGETS**

This Division is responsible for processing payroll for all County departments, most fire districts and some non-county regional agencies. The Division also compiles the budget documents for the County and special districts, monitors expenditures for budget compliance and administers the Tax and Revenue Anticipation Notes and other Bond programs.

BUDGET: \$2,133,095  
FTE: 16.7

#### **B. GENERAL ACCOUNTING/ACCOUNTS PAYABLE/CONTRACTS**

This Division is responsible for managing the countywide Financial System and processing various types of fiscal information for County departments, special districts and other non-county agencies. The Division maintains the general ledger, enforces accounting policies, procedures and processes and ensures financial reporting in accordance with county, state and federal guidelines. The Division also processes demands, invoices and contracts.

BUDGET: \$1,784,212  
FTE: 22.9

**C. PROPERTY TAX/COST ACCOUNTING/WELFARE**

The Property Tax/Cost Accounting/Welfare Division is responsible for building the tax roll and allocating and accounting for property tax apportionment and assessments and preparing the countywide Cost Allocation Plan. The Division prepares the State Controller and local government fiscal reports, coordinates countywide SB90 claims and performs public safety accounting and reporting for Proposition 172 and Booking Fee receipts.

This Division also oversees processing and distribution of welfare checks and food stamps, in accordance with county, state and federal requirements and reconciles the Social Services Case Data System financial data to the Finance System.

BUDGET: \$1,540,471  
FTE: 17.1

**D. INTERNAL AUDIT**

This Division audits various County departments, special districts and other agencies. This Division provides reports to management that include objective analyses, appraisals, comments and recommendations on County financial operations. The Division also produces the Comprehensive Annual Financial Report and participates on special projects.

BUDGET: \$833,514  
FTE: 8.1

**E. ADMINISTRATION/SYSTEMS SUPPORT**

This Division provides oversight and general supervision to the operating divisions of the Office. The Division is responsible for employee development, personnel, payroll and fiscal administration and general clerical support. The Division also provides systems development, maintenance and support.

BUDGET: \$930,179  
FTE: 7.2

**F. ADMINISTRATIVE SUPPORT SERVICES/ACTIVITIES  
IMPACTING DEPARTMENT OPERATIONS**

Amount budgeted for Technology: \$ 1,106,616  
Amount budgeted for Training: \$15,000

**1. Employee Development/Career Ladder**

- a) The Office encourages employees to pursue the necessary course work requirements to promote into

higher-level classifications. The classification series in the Auditor-Controller's Office is set up to allow account clerk staff to enter into paraprofessional and professional accounting classifications.

- b) Staff members are encouraged to attend seminars, meetings and to participate on a variety of professional accounting/auditing committees. The Office also supports the professional development of staff by obtaining annual memberships to professional accounting associations.
- c) The Office promotes technological advancement and allocates funding and staff resources to automate its operations and broaden employees' skill levels.

**G. DEPARTMENT DATA SUMMARY**

BUDGET: \$7,221,471

FTE: 72

CLASS	ALLOCATED POSITIONS
Auditor-Controller	1
Asst. Auditor-Controller - Exempt	1
AC Business & Systems Manager	1
Executive Secretary - Exempt	1
Chief Accountant	3
Chief Auditor	1
Supervising Accountant	6
Accountant III	6
Accountant II	3
Accountant I	3
Auditor III	2
Auditor II	2
Auditor I	1
Information Programmer Analyst IV	1
Information Systems Analyst	1
Payroll Systems Accountant II	1
Systems Accountant II	1
Payroll Technician	9
Accounting Technician	9
Account Clerk-Advanced	9
Account Clerk-Experienced	4
Account Clerk-Beginning	4
Clerk-Senior	1
Clerk-Experienced	1
<b>TOTAL</b>	<b>72</b>

### **EMPLOYEE PROFILE**

	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>	<b>PERCENT</b>
Caucasian	16	29	45	70.31%
Hispanic/Latino	1	3	4	6.25%
African/American	1	3	4	6.25%
Pacific Is/Asian	2	4	6	9.38%
Filipino	1	4	5	7.81%
Native American	0	0	0	0.00%
<b>Total</b>	<b>21</b>	<b>43</b>	<b>64</b>	
<b>Percent</b>	<b>32.81%</b>	<b>67.19%</b>	<b>100.00%</b>	<b>100.00%</b>

### **III. DEPARTMENT ACCOMPLISHMENTS**

#### **A. PAYROLL/BUDGETS**

- Extensively modified the County's payroll retirement contribution program to accommodate the significant changes required by the negotiated enhanced retirement benefits and to continue to provide the retirement calculations and reporting for those agencies and/or unions not participating in the new enhanced benefits.
- Continued to work on the annual "TRAN" short-term borrowing program. The County received a favorable rating from the rating agencies, which resulted in a significant savings to the County. The additional interest earnings to the County General Fund amounted to approximately \$1,100,000.
- Implemented increased salary and retroactive lump sum payments to employees resulting from the County's collective bargaining negotiations finalized in 2002.
- Implemented the safety employees' additional pre-tax retirement deductions resulting from the newly negotiated enhanced safety retirement benefit.
- Completed written documentation for processing the advance, semi-monthly, and monthly pays.

#### **B. GENERAL ACCOUNTING/ACCOUNTS PAYABLE/CONTRACTS**

- Automated research for blanket purchase orders and contracts to provide on-line tracking.
- Participated on the Committee that reviewed and changed the County's policy on fixed asset capitalization by raising the threshold for buildings and building improvements from \$5,000 to \$100,000. This new policy will reduce the costs associated with inventory, depreciation, and reporting of small building projects.

- Installed a new countywide Fixed Asset System. Successfully transferred data to the new System and reported activity in the Comprehensive Annual Financial Report (CAFR). The new Fixed Asset System maintains detailed asset records of equipment, buildings, and County-owned infrastructure, calculates depreciation, and creates annual reports in compliance with “Generally Accepted Accounting Principles.”
- Added employee payment information to the accounts-payable data transferred from microfilm to the micro-imaging system. This additional information allows staff to easily access payment detail and history to pay County employees’ travel and expenditure reimbursements more promptly and accurately.
- Participated on the Committee that reviewed, updated, and developed new standard contract forms and the “Contra Costa County Guide to Contracts Administration.”
- Continued to participate in the review and implementation of policy changes due to the new GASB 34 accounting requirements.

#### **C. PROPERTY TAX/COST ACCOUNTING/WELFARE**

- Completed property tax roll and tax apportionment on time and in accordance with the Revenue and Taxation Code.
- Re-issued all lost, destroyed, and forged welfare checks to recipients within statutory requirements.
- Conducted three training update sessions on GASB 34 for departmental professional and technical staff. Provided Countywide training on GASB 34.
- Completed the implementation of the Welfare Cash Aid Direct Deposit Program working with Employment and Human Services Department and the Treasurer’s Office. Provided benefits on a test case basis and expanded the Direct Deposit Program to 360+ cases as of December 31, 2002.
- Continued FOCUS to MS Access Land Information System (LIS) transition.
- Working with Employment and Human Services Department, Treasurer’s Office, and the Department of Information Technology, transitioned food stamp and certain qualifying cash aid programs to an Electronic Benefit Transfer (EBT) mode of delivery, meeting state implementation deadlines.

#### **D. INTERNAL AUDIT**

- Awarded the Government Finance Officers’ Association Certificate of Achievement for Excellence in Financial Reporting.

- Completed 25 audits of County departmental financial operations including four Information Systems reviews. Progressed towards meeting the desired schedule for recurring audits.
- Secured all of the required audits by CPA firms for certain state grants and other programs managed by the County.
- Completed the difficult, first-year implementation of the new financial reporting requirements of GASB 34.
- Produced the first GASB 34 compliant Comprehensive Annual Financial Report (CAFR).

#### **E. ADMINISTRATION/SYSTEMS**

- Met the Office's Net County Cost.
- Met reporting requirements of the County's SBE/Outreach programs.
- Continued to enhance the Office of the Auditor-Controller's Intranet website by adding intranet access to employee demands.
- Selected as one of only six Countywide nominees for the Innovation Technology Award for our Office's Intranet Site.
- Participated on the Human Resource/Payroll Steering Committee and acted as key members of the HR/Payroll Project Team including participating in all aspects of the Human Resources/Payroll System operations and upgrade work.

### **IV. DEPARTMENT CHALLENGES**

#### **A. INTERNAL TO DEPARTMENT**

1. Continue to develop and update employee training and development programs and document policies, procedures, system applications, and programs.
2. Meet the Office's Net County Cost reduction target established by the County Administrator's Office and approved by the Board of Supervisors.
3. Absorb increased costs associated with newly negotiated salary and retirement packages.
4. Continue to fund the County's mission-critical Financial Systems.

#### **B. INTERNAL TO COUNTY OPERATIONS**

1. Upgrade Human Resources/Payroll PeopleSoft System to Version #8. There are significant web-based technical and government-based functional changes involved with

migrating to this new version. Staff will participate on the “upgrade team” in addition to performing their normal assigned duties.

2. Complete functional testing for converting Human Resources/Payroll PeopleSoft and Time and Attendance Kronos Systems to a new Oracle data base.
3. Continue working with Assessor, Tax Collector, and Department of Information Technology to complete the upgrades of the County’s major Property Tax Systems.
4. Continue to meet our mandated functions and provide optimal customer service with a decreased staffing level.
5. Provide e-mail service for financial reports for departments and agencies not connected to the County Wide Area Network (WAN) and Auditor’s Intranet site.

#### **C. EXTERNAL TO COUNTY OPERATIONS**

1. Review Countywide compliance with GASB 34 accounting and seeks ways to assist further streamline GASB 34 reporting.
2. Produce the first GASB 34 compliant Comprehensive Annual Financial Report (CAFR).
3. Prepare the CAFR and Single Audit. The current contract for the County’s external auditors terminates for audits with period endings June 30, 2002. If a different audit firm is selected that is unfamiliar with the County, timely preparation of the next CAFR and Single Audit will be challenging.
4. Participate in the development and design of a new proprietary software program, CALWIN, under leadership of the Employment and Human Services Department. This software will replace the current Case Data System (CDS), which supports our County’s welfare case management. Full implementation is scheduled for October 2004.
5. Provide the necessary privacy and security protection against access to financial transactions that include personal health information covered by HIPAA regulations. Ensure that employees who need access to this type of information to perform their job assignments complete the required HIPAA training.

### **V. PERFORMANCE INDICATORS**

#### **A. PAYROLL/BUDGET DIVISION**

1. **Objective:** Maintain an accuracy level (based on the below-defined criteria) for all paychecks issued.

- Maintain 98.5% accuracy rate for all payroll work initiated by the Auditor-Controller's payroll staff. The accuracy rate includes all errors resulting in Off-Cycle checks not just errors caused by our Office.

**Indicator:** The number of Off-Cycle checks produced, as a result of errors reported including those from County departmental personnel and late employee time cards compared to the total number of Payroll checks.

- **Outcome:** Accuracy Rate = 98.73% of employees received accurate paychecks for the entire year.

PAY RATE DATE	# ON-CYCLE CHECKS	# OFF-CYCLE CHECKS*	PERCENTAGE RATE
01/02	18,793	203	1.0801%
02/02	19,012	179	0.9415%
03/02	19,117	291	1.5222%
04/02	19,223	226	1.1756%
05/02	19,298	223	1.1555%
06/02	19,397	172	0.8867%
07/02	19,616	231	1.1776%
08/02	19,493	202	1.0362%
09/02	19,437	238	1.2244%
10/02	19,475	210	1.0783%
11/02	19,542	262	1.3407%
12/02	19,488	510	2.6169%
<b>TOTAL AVERAGE</b>	<b>19,324</b>	<b>246</b>	<b>1.2730%</b>

\* Includes all Off-Cycle checks resulting from any errors (not just our Office) including late time cards submitted by employees.

2. **Objective:** Verify the accuracy of the financial information loaded into the County's Budget System (BRASS). Review the financial information (appropriations, revenues and expenditures) loaded into the BRASS System each month by the County Administrator's Office and reconcile the information to the County's Financial System.

**Indicator:** The County Administrator's Office receives notification each month by the Auditor-Controller's Office that the financial information has been verified and reconciled within one working day after the information is loaded into the BRASS System.

- **Outcome:** 100% compliance. For Calendar Year 2002 the financial information was reviewed, reconciled and the County Administrator's Office notified within one



working day for each of the County's 12 monthly financial runs.

## B. GENERAL ACCOUNTING/ACCOUNTS PAYABLE

1. **Objective:** Provide timely distribution of paper and electronic copies of revenue, expenditure and general ledger reports to departments.

**Indicator:** Electronic reports available on the Intranet by 8:00 a.m. the day following the pay period end date. Paper reports available no later than 2:00 p.m. the second day following the pay period end date.

- **Outcome:** Met report distribution deadlines for all 12 months.

2. **Objective:** Maintain a 99% accuracy rate for processing payment demands.

**Indicator:** The number of canceled warrants as a percentage of the total warrants issued is an indicator of the accuracy and efficiency of the Accounts Payable audit of daily warrant transactions.

- **Outcome:** Accuracy Rate = 99%, reducing canceled warrants decreases manual off-cycle processing that disrupts workflow and delays payment to vendors.

Month	# of Warrants Issued	# of Warrants Canceled	Percentage Rate
January-02	10,789	93	0.86%
February-02	11,084	66	0.60%
March-02	11,623	148	1.27%
April-02	11,405	66	0.58%
May-02	12,550	122	0.97%
June-02	11,663	80	0.69%
July-02	11,828	111	0.94%
August-02	11,058	108	0.98%
September-02	9,995	50	0.50%
October-02	11,578	101	0.87%
November-02	14,845	89	0.60%
December-02	10,681	131	1.23%
<b>TOTAL AVERAGE</b>	<b>11,592</b>	<b>97</b>	<b>.84%</b>

**C. PROPERTY TAX/COST ACCOUNTING/WELFARE**

1. **Objective:** Perform property tax allocations and apportionment in accordance with state codes and with no allocation or apportionment errors.

**Indicator:** Number and total amount of any allocation or apportionment errors.

• **Outcome:**

- ⇒ Total Apportionment/Allocation = \$1,636,084,556
- ⇒ Total Errors = 0
- ⇒ Accuracy Rate = 100%, which is significant since more than 200 local public agencies, including the County, rely on these calculations and apportionments to fund their operations and make debt-service payments.

2. **Objective:** Prepare and submit all required reports on time and in accordance with state and federal requirements.

**Indicator:** Number of reports prepared and submitted on time and in accordance with requirements divided by the total number of reports prepared and submitted.

• **Outcome:**

- ⇒ *Total Reports Submitted* 28
- ⇒ *Total Reports Submitted on Time* 27
- ⇒ *Total Reports Submitted within Compliance* 28

Note: The totals for 2002 do not include 48 LGFA reports, the Annual Property Tax report, or the State Controller's report. Due to a delay at the State level in the issuance of the reporting forms, there was no reporting requirement in 2002.

3. **Objective:** Provide optimum customer service to the Department of Employment and Human Services while maintaining financial controls.

a) **Indicator:** On time release of monthly checks and food stamps to the General Services Department for distribution (331,000 checks per year and \$134 million of distributions to aid recipients are subject to this monthly release process).

- **Outcome:** 12 months of timely distribution.

b) **Indicator:** All check numbers accounted for and check register reconciled to Case Data System controls by the 8<sup>th</sup> working day following calendar month end.

- **Outcome:** 12 months of meeting deadline. Meeting this deadline results in maintaining proper financial controls.

c) **Indicator:** Monthly "Aid Claims" reports submitted to state within statutory time frames.

- **Outcome:** 12 months of meeting filing deadlines. Meeting statutory time frames results in timely payments from the State to the County; missing reporting deadlines could delay payments from the State.

4. **Objective:** Submit all reimbursable mandated costs pursuant to state's parameters for SB90.

**Indicator:** Amount of reimbursable mandated costs submitted within the 2002 calendar year.

- **Outcome:** Submitted claims for all known reimbursable mandated costs as follows:
  - 13 claims for FY 00/01 **submitted costs** totaling \$2,221,253
  - 19 claims for FY 00/01 **actual costs** totaling \$3,366,768
  - 6 first-time claims totaling \$1,627,580 were filed for fiscal years prior to FY 2000/01

#### D. INTERNAL AUDIT

1. **Objective:** Annually develop and carryout an audit plan based on statutory requirements and an analysis of the risk and exposure to loss of the County's financial assets.

a) **Indicator:** Auditor-Controller's satisfaction with the Internal Audit program.

- **Outcome:** Audit coverage improved from last year and met established goals. Good progress was made towards meeting the desired schedule for recurring audits.

b) **Indicator:** Survey results on client satisfaction with provided internal audit services.

- **Outcome:** A compilation of all the surveys returned indicated an overall satisfaction level between good and excellent.

2. **Objective:** Annually prepare a timely, high quality Comprehensive Annual Financial Report for the County.

**Indicator:** Receipt of the Certificate for Excellence in Financial Reporting by the Government Finance Officers' Association.

- **Outcome:** Received the Certificate for Excellence in Financial Reporting for the 2001-02 Comprehensive Annual Financial Report. This Award means that the County's annual published report on its financial activities is informative, accurate, timely, and meets or exceeds all applicable professional accounting and reporting standards.

#### **E. ADMINISTRATION/SYSTEMS**

1. **Objective:** Enhance benefits of Local Area Network by maintaining system up time during peak hours of operations.

**Indicator:** Number of down time hours during peak operations as a percentage of the total number of down time hours during peak hours of operations.

- **Outcome:** Downtime hours totaled less than 1% during peak hours of operations

2. **Objective:** Prepare annual departmental budget on time and in accordance with the County's requirements.

**Indicator:** Submit budget on time and in requested format.

- **Outcome:** Completed budget on time and in appropriate format.

*\*For more information about the Office of the Auditor-Controller you may visit our WEBSITE and/or obtain a copy of the Comprehensive Annual Financial Report (CAFR).*

AUDITOR-CONTROLLER DEPARTMENT

	VACANT	FILLED	TOTAL
Permanent-Full Time	10	62	72
Exempt		2	2

Total Positions 10 64 74



